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IN THE  
**Supreme Court of the United States**

OCTOBER TERM, A. D. 1946

No. 700

BORG-WARNER CORPORATION and  
DAVID E. GAMBLE,

Petitioners,

vs.

GEORGE I. GOODWIN and JOHN F. DAUKUS,  
Respondents.

**PETITIONERS' REPLY BRIEF.**

MAX W. ZABEL,  
EDWARD C. GRITZBAUGH,  
BENTON BAKER,  
Counsel for Petitioners.



## INDEX

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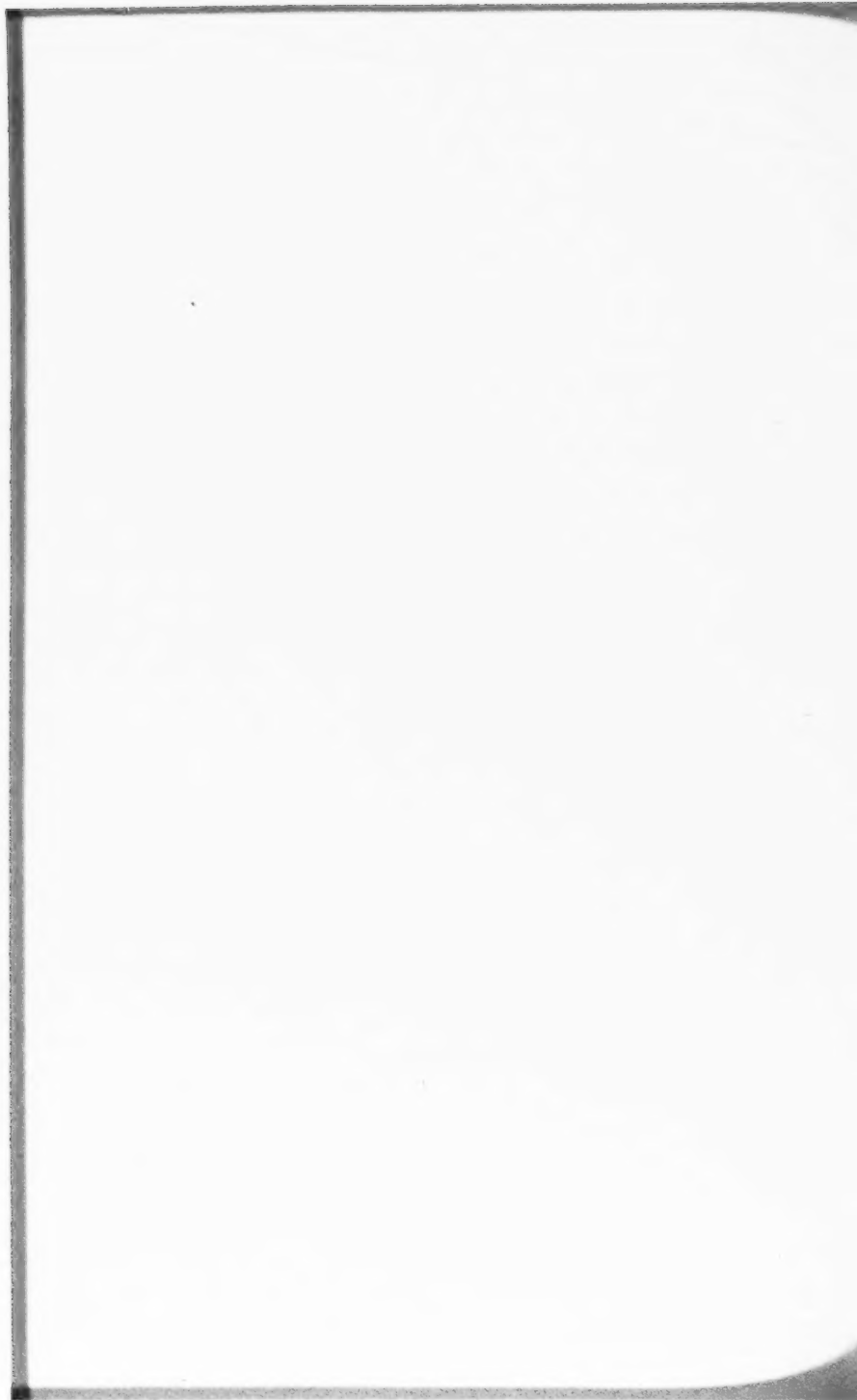
	PAGE
Concentration of Industry and Justification for Granting Patent .....	1
The Earlier Daukus Patent and the Claims of the Patent in Suit .....	3
The Issues as to Prior Use .....	6
The District Court's Finding of Invalidity .....	7
Appendix.	
Excerpts from Transcript of Oral Argument before District Court, Tuesday, September 26, 1944 .....	11

### CASES CITED.

Brown v. Piper, 91 U. S. 37, 44 .....	8
Cuno Engineering Corp. v. Automatic Devices Corp., 314 U. S. 84, 90 .....	8
Exhibit Supply Co. v. Ace Patents Corp., 315 U. S. 126, 128; s. c. 314 U. S. 705 .....	2
Harwood v. Great Northern Railway Co., 11 H.L.C. 654, 667 .....	8
King v. Gallun, 109 U. S. 99 .....	8
Muncie Gear Works v. Outboard, Marine & Mfg. Co., 315 U. S. 759, 766; s. c. 314 U. S. 594 .....	2
Phillips v. Detroit, 111 U. S. 604 .....	8
Sinclair and Carroll Co. v. Interchemical Corp., 325 U. S. 327, 330 .....	8
Terhune v. Phillips, 99 U.S. 592, 593 .....	8
Werk v. Parker, 249 U. S. 130, 133 .....	8

### STATUTES CITED.

R. S. 4915, U. S. C. Tit. 35, Sec. 63 .....	4
U. S. C. Tit. 35, Sec. 31 .....	7



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Passing the undocumented accusations, bare denials, and generalities of respondents' brief, petitioners would correct certain impressions which portions of it might leave with the Court.

**Concentration of Industry and Justification for  
Granting Petition.**

Respondents list numerous companies said to be manufacturers of automotive vehicles, clutches, and clutch plates, and domiciled elsewhere than in the Sixth Circuit, but make no quantitative showing of their production, which in fact is comparatively small. Nor do they show

that their production would include a clutch plate of the character involved in this action. They have, moreover, in no wise negatived the showing in the petition and supporting brief that there is little likelihood of future litigation involving the patent in suit beyond the Sixth Circuit.

Respondents also list several cases involving patents relating to subject matter affecting the automotive industry in which the Court declined to take jurisdiction. Obviously they are not in point, for the patents involved admittedly were held invalid and no question of public concern over further masquerading of an invalid patent as a valid one remained as there does in the instant case. In this connection it may be noted that in two additional cases arising since the *Schriber-Schroth* case and in which the patents involved were held valid in the lower courts, the Court granted the writ for reasons similar to that indicated in the *Schriber-Schroth* case. These cases are *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U. S. 126, 128; s. c. 314 U. S. 705, and *Muncie Gear Works v. Outboard, Marine & Mfg. Co.*, 315 U. S. 759, 766; s. c. 314 U. S. 594.

The instant case is precisely analogous to the *Schriber-Schroth* case. In both, the patented subject matter is installed by the automobile manufacturer in its product at its factory and becomes a part of the finished product. The clutch plate here involved is a critical part and as essential to that finished product as the piston involved in the *Schriber-Schroth* case. An injunction here would stop production just as effectively as in that case. As the manufacture of automobiles is largely concentrated in the Sixth Circuit, practically there would be no occasion for litigation of the patent in suit beyond that circuit if the judgment of the Court of Appeals were allowed to become final.

Respondents' statements to the contrary notwithstanding, petitioners submit that the questions presented in their petition and supporting brief are both real and important. Certainly it would seem to be a matter of public concern whether in the circumstances presented, particularly in the face of a clear conflict as to its validity, between the District Court and the Court of Appeals, a patent of so devious history and no commercial background should be permitted to stand established as the basis of a levy of tribute on the automotive industry for seventeen years.

Respondents' attempt to defeat the petition by stating a willingness to grant licenses on allegedly reasonable terms is without force, because any licensing basis for an invalid patent is intolerable. And in this case a royalty of even a few cents on a clutch plate quite probably would involve a realization of millions of dollars.

### **The Earlier Daukus Patent and the Claims of the Patent in Suit.**

The decision of the Board of Interference Examiners and the findings of the District Court as to the distinction between the supposed invention of the patent in suit and the disclosure of the earlier Daukus patent are sufficiently discussed in the petition and supporting brief (pp. 2, 3, 5, 13, 17, 20-24), but respondents' comments on the claims of the patent in suit in relation to the earlier Daukus patent call for some consideration of them.

It is to be borne in mind that the only issues now in the case in view of petitioners' failure to appeal from the judgment of the District Court dismissing their original Bill of Complaint under R. S. 4915 are the issues as to validity and infringement of the patent in suit. That petitioners tried to get a patent with corresponding claims is of no importance in determining those issues.

The patent in suit contains a multiplicity of twenty-three claims directed to a simple device. Of these, nine, namely, 4, 6, 13, 14, 15, 17, 19, 20, and 23 are asserted in this suit. Claim 4 and seven of the claims which are not asserted, namely, 1, 2, 7, 8, 9, 18, and 21 are distinguishable from the disclosure of the prior Dankus Patent No. 1,777,339 only in that they contain a limitation directed to a lesser thickness or weight per unit area of cushion members in relation to an intermediate plate or mounting member. It is this feature alone that, the Board of Interference Examiners held, distinguished the interference counts from the prior art considered by it. And these counts included other more limited claims among which was claim 13 erroneously cited by the Court of Appeals as typical.

It is not without significance that respondents withheld from their counterclaim the broader claims of the patent. Claim 1 is perhaps the broadest one. This claim,<sup>1</sup> which respondents did not venture to assert in their counterclaim, clearly embraces the commercial structures made in large quantities by Borg-Warner under Ahlene Patent No. 1,727,153 and Reed Patent No. 1,889,698 several years before the earliest date of supposed invention available to

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<sup>1</sup>Claim 1 reads:

In a clutch plate construction, a hub, an intermediate member non-integral with said hub and secured thereto, a cushion member of thinner material than said intermediate member and carried thereby, said cushion member extending outwardly from said intermediate member and at its outer portion subtending a greater arcuate angle than is subtended by a portion of said cushion member between said intermediate member and said outer portion of said cushion member.



Dankus (see Figures III and IV of Chart at end of Brief in Support of Petition).<sup>2</sup>

We need not quote their language to make it apparent that claim 4 and the other claims withheld from suit differ from claim 1 only in language or unimportant details, that is, details which it is thought do not affect their patentability.

The asserted claims differ from claim 1 in substance only in that they contain limitations directed to features including structurally independent cushion members and a waving or distortion of them in an axial or circumferential direction as distinguished from a radial direction. The struc-

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<sup>2</sup>The hub is brown portion indicated by the numeral 1.

The intermediate member, in the case of the Ahlene structure, comprises the two red members 11a, 11b and the filler member 25; in the case of the Reed structure, the red member 11 is 0.109 inch thick. Each is non-integral with the hub and secured thereto by rivets 4a, 4, shown in green.

The cushion members 8 shown in blue are thinner than the intermediate members; in the case of the Ahlene structure the cushion members are 0.0625 inch thick, the intermediate members 11a, 11b each 0.0625 inch thick, and the filler member 25—0.1406 inch thick; in the case of the Reed structure the cushion members are 0.056 inch thick; in each structure the cushion members 8 are a part of an integral plate which is carried by the intermediate member through a spring vibration damper, including the springs 12 and in the case of the Reed structure a supplemental plate 13; the cushion members extend outwardly from the intermediate members and their outer portion subtends a greater arcuate angle than is subtended by a neck portion between the intermediate member and the outer portion of the cushion member.

turally independent feature was not only present in the earlier Daukus patent, but as pointed out in the petition (p. 5) and supporting brief (under Figure II of chart opposite p. 22), admittedly unimportant. The waving or distortion feature was present in the Borg-Warner commercial structures beginning in 1931 (R. 137, XQQ 83-88: Plaintiff's Exhibits AAA 21,-23). That there was no room for patentable novelty or invention when Daukus entered the field in adding either or both of these features to the unpatentable structure defined in claim 1 seems evident. The outstanding commercial success of the Borglite plate, as noted, in the supporting brief, is due to qualities not present in anything that Daukus did.

It is submitted that the invalidity of the patent in suit in its entirety is sufficiently indicated to warrant the issuance of the writ.

### **The Issues as to Prior Use.**

Contrary to respondents' statements (p. 6 of their brief) there are and have been throughout this action, two issues of prior use; one, based on the allegations of Item 3, including sub-divisions (a) and (b) of the Supplemental Bill of Complaint (R. 24, 25); the other, based on the allegations of sub-divisions (d) and (e) of the same paragraph of the same pleading (R. 26)

The evidence on the first issue relates to commercial structures manufactured in large quantities by Borg-Warner. These are discussed on pages 22 and 23 and illustrated in Figures III and IV of the chart at the end of the supporting brief. The evidence on the other issue consists of Daukus' own admissions and is considered on pages 14, 15, and 31-34 of the supporting brief.

Respondents' criticism of the refusal of an offer to stipulate is explained in the next-to-the-last paragraph of page 81 of the Record. It was considered vital to petitioners' case to show beyond question that in the commercial structures made under the Ahlene and the Reed patents the cushion members were of less thickness and less weight per unit area than the intermediate members, a feature as to which the specifications of the patents were silent and as to which respondents would not stipulate. As we have stated, it was that feature alone which was considered by the Board of Interference Examiners as having patentable significance.

### **The District Court's Finding of Invalidity.**

The record and the transcript of oral argument before the District Court belie respondents' criticism of the District Court's findings and consideration of the case.<sup>3</sup>

The argument in behalf of respondents brings into relief the question of what proof is required to negative the patentability of a supposed invention. It may be conceded that in a proper case, as the Court of Appeals said (R. 447):

"The public use which invalidates an invention under Sec. 31, 35 USC is a public use of the very invention patented."

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<sup>3</sup>The transcript of the oral argument, which lasted three days, indicates a very clear understanding by the District Court of the issues of the case, the evidence and its implications, and the applicable principles of law. It also includes an admission by respondents' counsel of the invalidity of the broader claims of the patent in suit in view of the evidence presented in the case and a recognition of the necessity of a disclaimer as to them. See Excerpts from Transcript in Appendix to this brief, *infra* p. 11.

But, to use the words of Mr. Justice Blackburn in *Harwood v. Great Northern Railway Co.*, 11 H. L. C. 654, 667,

“in every case arises a question of fact, whether the contrivance before in use was so similar to that which the patentee claims, that there is no invention in the differences, if any, between the old contrivance and that for which the patentee claims a monopoly; . . .”.

See *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U. S. 84, 90, where the Court, speaking through Mr. Justice Douglas, said:

“Since *Hotchkiss v. Greenwood*, 11 How. (U. S.) 248, 267, 13 L. Ed. 683, 691, decided in 1851, it has been recognized that if an improvement is to obtain the privileged position of a patent more ingenuity must be involved than the work of a mechanic skilled in the art.”

And this Court has long sanctioned the taking of judicial notice of matters of common knowledge and things in common use. *Werk v. Parker*, 249 U. S. 130, 133; *Brown v. Piper*, 91 U. S. 37, 44; *Terhune v. Phillips*, 99 U. S. 592; *King v. Gallun*, 109 U. S. 99; *Phillips v. Detroit*, 111 U. S. 604.

Where, as in this case, the evidence of prior uses which was not presented to or considered by the tribunals of the Patent Office showed extensive commercial practice transcending mere technical prior use and amounting to common knowledge, it would seem to be inane to ignore the implications of such evidence and exclude it from consideration because it failed, when considered in relation to the more limited claims of the patent in suit, to conform to the strict requirements of the principle stated by the Court of Appeals. If, as the Court, speaking through Mr. Justice Jackson, said in *Sinclair and Carroll Co. v. Interchemical Corp.*, 325 U. S. 327, 330.

“The primary purpose of our patent system is not

reward of the individual but the advancement of the arts and sciences. Its inducement is directed to the disclosure of advances in knowledge which will be beneficial to society; it is not a certificate of merit, but an incentive to disclosure."

there must be room for inference from admitted or proven facts amounting to common practice as to what one skilled in the art would know and whether or not in the words of Mr. Justice Blackburn,

"There is no invention in the differences, if any, between the old contrivance and that for which the patentee claims a monopoly".

It is submitted that the Court of Appeals misapplied the principle of strict conformity of proof of prior use in the instant case and exceeded its jurisdiction in setting aside the finding of the District Court.

Petitioners again request that the writ issue.

Respectfully submitted.

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Counsel for Petitioners.



**APPENDIX.**

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**Excerpts from Transcript of Oral Argument before District Court, Tuesday, September 26, 1944.**

(p. 55) The Court: Mr. Greist, what Mr. Zabel was just saying to me is that if your patent is sustained, the device that I have here—this is Exhibit AAA-30—and this reads right on your patent, that Borg-Warner is manufacturing a device that they manufactured millions of back in the late 20's, they would now be infringing your patent, and that, in effect, you could start collecting royalties on this old device he stated they manufactured back in 1928.

...

(p. 56) Mr. Greist: Anything that would, coming later, be an infringement, would, if it came before, be an anticipation. And I agree with that 100 per cent. . . .

(p. 58) (Mr. Greist continuing) Now, I say this, that while our patent contains a number of claims, we are relying only on certain of them. I am not prepared to say that a few of the claims of this Daukus patent clearly define what we now find to be the patentable invention over the prior art. We could not have disclaimed before, because we did not know.

(p. 81 and 82) The Court: . . . Where does it leave you if you were in a position where you had to concede that some of your claims in the Daukus patent were too broad?

Mr. Greist: We are not required to disclaim until such time as we know they are too broad or until such time as the Court has told us so. We can disclaim within 30 days after you say, for instance, that claims 1 and 2 are too

broad. We could disclaim right now if we can thereby reach an issue.

I say this, that our claims which do not bring in the fact that our cushion members are both distorted axially and are structurally independent members between the facings, if the claims do not bring that in, I do not believe they define invention. . . .